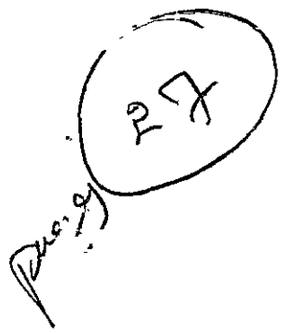

File No. 2-A of 1885.

Surplus Revenues of the Assigned Tract, C. & M. Station, Bangalore.

(D. O. Correspondence.)

Simla,

The 14th September, 1883.

My dear Lyall,

With your official letter, No. 1130/194 dated the 23rd ultimo you sent us, for information, a copy of a letter which you had addressed to the Dewan regarding the recently sanctioned allowance for the Residency Surgeon. You forwarded with the latter communication copies of the Government of India Despatch, No. 44 dated the 13th March 1883, and of the Secretary of State's reply, No. 35 (Political) dated the 19th April 1883.

Your letter to the Foreign Department requires no official answer, so I merely write to mention that it is opposed to our practice to let copies of despatches to, and from, the Government of India be seen by the Durbars of Native States, and that a reference to the Government is always necessary before an exception is made to the rule. Despatches often contain matter which it is not desirable a Durbar should see. Thus our Despatch to the Secretary of State cited above stated incidentally that the question of the disposal of the revenues of the Assigned Tract was under the consideration of the Government of India. This knowledge might possibly lead to embarrassing references on the part of His Highness' Administration, as the Government of India are not prepared to give a final decision upon the question at present.

I may add that it is not usual, at any rate in this department, to send copies of despatches out of the office at all, but only to communicate their purport to local administrations. Will you kindly issue orders that this rule may be carefully observed in future ?

Yours sincerely

C. GRANT.

To—J. B. Lyall, Esq., C. S.

My dear Wylie

Please read this and record an office order to the effect of the para. I have marked. The letter had better be kept out of the office I think, so please return it to me. But I also wish to look again at the file to which it refers. Please send to Mysore.

Yours sincerely,

22—9—1883. J. B. LYALL.

My dear Mr. Lyall,

I have read this and have recorded an office order as desired, to the effect of the para. you have marked.

I have not shown this letter to the office, and I return it to you together with office copy of your letter No. 1130/194 of the 23rd ultimo, and file to which it refers.

Yours sincerely,

24—9—1883. H. WYLIE.

Confidential

Mysore,

29th September 1883.

My dear Grant,

In reply to your demi-official letter of the 14th instant, I beg to say that I have issued orders in my office for the future careful observance of the rule that copies of despatches to and from the Government of India are not to be shown to the Durbar without a previous reference to the Government of India. I wish to explain why, in the particular case under reference, I thought it necessary to communicate to the Durbar copies of the last despatch of the Government of India to the Secretary of State and of his reply. Though I did not know that there was any rule on the subject, I recognised the reasons upon which the rule is founded and should not have sent copies of the despatches to the Durbar if I had not thought the case an exceptional one.

From my office file and from conversation with the Dewan, I was aware that Mr. Sandford, as officiating Resident, had sent the Dewan demi-officially a copy of the Government of India's despatch to the Secretary of State, No. 294 of 26th September 1882, which was sent to Mr. Sandford under cover of your demi-official letter of 14th October 1882. In that despatch, the Government of India had assented to Sir James Gordon's view that the Residency Surgeon's allowance for the charge of the Bowring Hospital was debitable to the revenues of the Assigned Tract (the Civil and Military Station), but had decided that no such allowance need actually be paid. On the other hand, in the same despatch it was proposed that a certain allowance of undetermined amount should be given to the Residency Surgeon from Mysore revenues for the charge of the Mysore Medical School. When, therefore, I received Assistant Secretary to Government of India, Foreign Department No. 1540 I, dated 7th June last, I was puzzled how to act. I had not then seen the Government of India's last despatch to the Secretary of State (No. 44 of 13th March, 1883), and I had become aware that the Residency Surgeon had never been in charge of the Medical School. I, therefore, addressed to you my demi-official letter of 23rd June and asked for explanations. Your demi-official letter of 24th July and enclosures (including the despatch No. 44, dated 13th March 1883), showed me exactly how the matter stood, and why the Government of India now held that the allowance to be granted to the Residency Surgeon was mainly for the charge of the hospital and should come out of Mysore revenues, whereas, they had formerly held that no charge allowance was necessary for the hospital and that if such an allowance was granted it ought to come out of Assigned Tract revenue.

But with the knowledge that the Dewan had a copy of the despatch of 26th September 1882, in which the latter view was taken, I did not see how it was possible to explain to him the change of view which had occurred except by communicating to him also the despatch of 13th March 1883, and the Secretary of State's reply. I, however, first communicated to him verbally the purport of the orders and he at once objected that if the allowance was on account of the Medical School, the necessity of placing the school in charge of the Residency Surgeon was not apparent, and if on account of the hospital then the Government of India had formerly concurred with the Resident that it ought to be debitable to the revenue of the Assigned Tract. I saw no other way of satisfying these objections than by letting him see the last two despatches in continuance of the former one of which he already had a copy. He then gave me to understand, in conversation, that the Durbar would make no objection to paying the allowance though they might probably in expressing their consent say that the point ought to be reconsidered if the surplus revenue of the Assigned Tract was finally decided to be Imperial revenue.

I have nothing more to say in explanation of my share in the communication of the despatches to the Durbar. I now come to the reply which I have just received from the Durbar, of which I enclose a copy. It contains more than the simple reservation which the Dewan spoke of making.

The Dewan's argument is that the Durbar sees no necessity for placing the Mysore medical school under the Residency Surgeon, and that in respect to the Bowring Hospital the great bulk of its patients belong to the Civil and Military Station, the remainder consisting of people from the neighbouring tracts, and of a very few Mysore officials all of whom will probably go hereafter to a new hospital about to be established in the native town; that under these circumstances, the surgeon's allowance for charge of the Bowring Hospital seems to the Durbar properly debitable to the revenue of the Civil and Military Station, which gives a large surplus; but that if that surplus is eventually to be handed over to the Durbar, they have of course no objection to paying the allowance for the present from Mysore revenues. No material objection can be taken to any of the facts stated in the Dewan's letter, and in my opinion the best way of settling the question will be for the Government of India to agree that the allowance shall be charged against the revenue of the Assigned Tract, remarking that they were formerly not informed of the actual facts in respect to the medical school and that as regards the hospital they have no wish to impose a charge upon Mysore revenues merely on account of the uncertain number of patients from beyond the limits of the Civil and Military Station which the hospital entertains. I think the Government might also add that, as soon as the funds of the Civil and Military Station Municipality will allow, they will expect the Municipality (which now has charge of the hospital) to pay the Surgeon's charge allowance.

If you see no objection I will forward the Dewan's letter officially with a brief recommendation to the above effect.

There is one other point I wish to mention. You will observe that in his para. 5 the Dewan uses the words "so long as the surplus revenue in question remains as at present with Mysore." He here alludes to the fact that the surplus revenue is at present lodged in the Bangalore Central Treasury under the charge of the Comptroller of Mysore. Some time ago I had a conversation on the subject with the Dewan and he expressed a hope that the Government of India would not call upon him to pay over the amount suddenly or without due warning, as it forms part of the Durbar's cash balances which are likely to be low in amount till the Land Revenue collections come in (December to March). My own opinion in regard to the question of the disposal of the surplus is that the decision contained in p. 6 of your No. 92 I. P. of the 24th January 1881, should be adhered to. If this is intended it seems unadvisable to allow the money to remain for an indefinite time in the Mysore Treasuries, and the Government of India might direct the amount to be paid over to the Madras Government as soon as the Durbar can do so conveniently. If considered advisable, the Durbar might be asked at the same time to specify, with a view to adjustment of accounts, the items referred to in p. 4 of the Dewan's letter as "strictly chargeable to the revenues of the Assigned Tract" but at present "borne by the Mysore State in the hope that the Government of India will be pleased to allow Mysore to retain the surplus revenue." The only item I know of (in addition to the European medicine for the hospital) is the cost of keep of prisoners from the Civil and Military Station in the Bangalore jail. I lately asked the Durbar to charge us for the cost of those prisoners. A small charge might also be made for the services of the Collector of Bangalore and his establishments who collect for us the small land revenue of the Assigned Tract.

Yours sincerely,

J. B. LYALL,

Offg. Resident.

CAMP BENKIPUR,

16th December 1883.

MY DEAR SIR,

I am much obliged to you for your letter written from Halabede. I am glad that H. E. Sir Frederick Roberts was pleased with the arrangements for his journey, made by our officers, I am however afraid that H. E. and party were put to some inconvenience in the Shimoga District, due to the fact that they arrived a day earlier than that named in Major Wylie's telegram.

2. I am indeed very glad that Mrs. Lyall and yourself enjoyed so well your tour through the Manzerabad and Hassan country; the temples at Halabede and Belur are rare works of art, and you will be glad to hear that our D. P. W. officers are already devising measures for their restoration: but I am afraid that the smaller temple at Halabede, which was the finest, is now in complete ruins owing to long neglect in the past, and that its restoration is out of the question, but something will be done to collect the statues &c., belonging to it in some suitable locality, and steps taken to prevent their being stolen or mutilated.

3. I am now near the end of my tour through the Shimoga District which is one of the most important and richest in the Province. It unfortunately suffers from a District Officer who is high handed and unsympathetic. I had numerous complaints against him, and I came to these parts in order to look into things for myself. I am sorry to find that the complaints I had heard at Mysore during the Dasarah are only too well founded, and I have had to do during my tour work of a very harassing kind in connection with the details of Revenue Administration, which are somewhat peculiar to this malnad country. What with all this work and rapid travelling I have not been able to do much writing in my tour. This is why I have not been able as yet to complete my history of the finances of the Province. It is a great relief to me to know that the Government of India are likely to give their favorable consideration to the question of the increased subsidy. I shall be at Bangalore on the 21st December and about the middle of January I hope to be able to give you a complete memo. regarding the finances of the province past, present and future. In the meantime however I beg to send herewith, for your information and for such use as you may deem fit to make of them, the following papers.

A. A statement of receipts, actuals for 1881—82 and 1882—83, and estimates for 1883—84—together with a statement of expenditure actuals from 1878—79 to 1882—83 and estimates for 1883—84.

and B. The Comptroller's report upon the finances of the province.

I also send the administration report for 1872—73. It gives a fairly clear history of the finance for the 40 years from 1832 to 1872. Please see pp. 157 to 180, and pp. 245 to 273, and the statements printed after the last quoted page.

4. Col. LeMessurier drew up a *confidential* printed memorandum dated the 19th November 1883, and he sent it to me for approval. It referred to the question of Railway Extension and professed to give a statement of our finances which was in some essential particulars misleading, and I accordingly wrote to him asking him not to make any use of it. I do not know if he sent you a copy before he got my letter.

5. Our present financial position is explained in a few words:—

Excluding the expenditure and income on account of railways our ordinary revenue since Rendition has been as follows:—

	Actuals 1881—82.	Actuals 1882—83.	Revised estimates 1883—84.	Probable for 1884—85.
Receipts ...	106,82,084	103,38,361	103,55,000	104,00,000
Expenditure ...	103,33,516	102,19,465	102,56,000	100,00,000
Surplus ...	3,48,568	1,18,896	99,000	4,00,000

Finance Commissioner's Note on Mysore Political Expenditure.

Treasury establishment.

8. *Item 5 (ii).*—The Treasury establishment of the Resident is detailed below:—

	R
Accountant (R100 to R130)	125 present pay,
Deputy Accountant	65
5 Assistants (R45, R40, R30, R25, R15)	155
Treasurer	100
2 Clerks (R55, R25)	80
3 Shroffs at R20	60
	585 a month,
	or 7,020 a year.

The menial establishment of the Treasury, included in the next item 5 (ii) consists of—

	R
3 Gollars (2 at R8: 1 at R7)	23
1 Farash	6
1 Peon	5
	34 a month,
	or 408 a year.

The work of the Treasury establishment has already been detailed in paragrap 6 of this note.

The opinion of the Resident regarding this establishment is given below:—

"This (*i.e.*, the statistics of work given above), which takes no stock of correspondence, is a good outturn and compares favourably with Treasuries on a similar footing in the Madras Presidency. Recently the Treasury Officer applied for an increase of establishment, and the matter was considered by the Resident and the Accountant-General, Madras. Mr. Lyall is firmly convinced that the establishment cannot bear reduction."

In the following table the establishment is compared with that of a Treasury in a district in the Madras Presidency:—

	Madras Districts.				Bangalore.	
	With Branch Bank.		Without Branch Bank.			
	No.	Monthly Cost.	No.	Monthly Cost.	No.	Monthly cost.
		R		R		R
English Account Department	10	305	10	305	7	320 to 350
Vernacular Account Department	6	145	6	145		
English Account Department	16	450	16	450		
	12	340	12	330		
Vernacular Account Department	6	145	6	145		
	18	485	18	475		
Treasurer's Department	5	131	11	307	11	(a) 274

(a) Including menials.

There can, of course, be no parallel in Bangalore to the amount of work in the Account Department of a large ryotwari district in Madras, where there are a great number of subordinate treasuries, whose accounts must be incorporated in those of the Sudder Treasury. We do not, however, see any objection to the number of hands in the Account Department of the Bangalore Treasury, though the pay seems to be needlessly high; and we think that it should be reconsidered. The pay of the Head Accountant in a Madras Treasury is R85 and of the Second Accountant R45 a month, and we see no reason why any higher rates than these should be given to the two highest clerks at Bangalore. The other salaries might also be slightly reduced, and on the whole a reduction of about R85 a month, or say R1,000 a year, might be effected in the Accounts Department of the Treasury.

The Treasurer's branch is more strongly manned than is necessary; as there is a branch Bank of Madras at Bangalore, we do not see why the Treasurer's branch should be any stronger than that of a District Treasury in the Madras Presidency, where there is a branch Bank. The saving in this Department of the Treasury would on this view be R143 a month, or say R1,700 a year. The total saving in the Treasury Department would thus be R2,700.

9. *Item 5 (iii).*—The menial establishment of the Agency, excluding the Treasury servants mentioned in the preceding paragraph, are 31 in number and cost R3,012. The details of the establishment are given below:—

Menial establishment.

		R
1	Jemadar	30
2	Chobdars at R15	30
2	Mochis at R12	24
1	Peon at R10	10
8	Peons at R7	56
11	Peons at R6	66
1	Flag Lascar	8
1	Tent Lascar	7
2	Tent Lascars at R5	10
2	Sweepers at R5	10
31		251 a month, or R3,012 a year.

The pay of the jemadar and of the two chobdars is to be reduced to R15 and 10 respectively, on the occurrence of vacancies. The number of peons seems large, and possibly some reduction might be made. But we have no definite suggestions to make on this head.

10. *Item 6.*—The charge for medical establishment is for the Residency Surgeon's clerk.

Medical establishment.

11. *Item 7.*—The provision for travelling allowance is to meet the travelling expenses of the Resident and his establishment.

Travelling allowances.

12. *Items 8 and 9.*—The provision for contingencies (R9,600) is said to be made up as follows:—

Contingencies—Postage.

	State Telegrams.	Service Postage Labels.	Other miscellaneous items.	Purchase and repair of tents.	Books, maps and adverts.	Clothing to Servants.	Articles purchased in the country, costing R50 or more.	Total.
Resident's Office	600	300	3,000	1,000	3,000	800	...	9,000
Treasury	50	180	370	...	...	...	300	600

It is not clear why there should be a separate provision of R400 for postage,

when this item is also included under the general head of Contingencies. The provision of R3,000 for books, &c., seems large and merits further enquiry. The last heading is not understood. The provision for purchase and repair of tents cannot be required every year.

Rents.

13. *Item 10.*—The charge of R1,680 was for rent at R360 for the Treasury Office, and, R1,320 for the Resident's Office. Since this provision was made in the budget, the Resident's Office has removed into other premises, which, with the sanction of the Government of India, have been taken on a three years' lease at R3,000 a year. On this subject the Resident remarks:—

"On the termination of the lease the Resident proposes to attempt to make a more economical arrangement; but rents are high in Bangalore, and the accommodation required for the establishment of the Residency and Coorg Offices, the Resident's Judicial Court and the Printing Press, which are all in the building, is large. Perhaps the most economical arrangement in the end would be to build offices and save rent: financial exigencies will, however, preclude the large immediate outlay which building would require."

The existing arrangement must remain in force till the expiry of the three years' lease in December 1888. This is, however, about twice as expensive as that in force up to December 1885; and it seems advisable to place on record the opinion of the Resident, that a more economical arrangement should be possible, when the present lease has expired.

14. The economies which we have suggested are summarised below:—

	R
Para. 3.—Reduction of Resident to second class . . .	18,000
„ *3.*—Reduction of Resident's sumptuary allowance . .	3,000
„ *6.*—Abolition of Treasury Officer's allowance . . .	1,200
„ *7.*—Reduction of Agency Establishment	Not estimated.
„ *8.*—Reduction of Treasury Establishment . . .	2,700
	24,900

Mysore Assigned Tracts—Their administration.

15. The station of Bangalore has been made over to the Government of India, and is termed "The Assigned Tracts." It has a Civil and Sessions Judge (Colonel Hill) at R1,200; a District Magistrate and Collector (Major Maltby) at R1,000; a District Superintendent, Police, (Mr. Hewetson) at R700. The Magistrate is also President of the Municipality; he has an officer, called the Second Magistrate (Mr. Pereira, on R300), to assist him in the magisterial work. The administration is controlled by the Resident.

their revenue and expenditure and the surplus.

16. The revenue and expenditure of the Mysore Assigned Tracts for 1884-85, 1885-86 (Revised) and 1886-87 (Budget) is as follows:—

	1884-85.	1885-86.	1886-87.
Revenue	2,75,492	3,26,490	3,30,210
Expenditure	1,71,590	1,84,740	1,91,650
Surplus	1,03,902	1,41,750	1,38,560

The sums thus shown as the surplus are not, however, the true surplus, for the Government of India has directed that for the purpose of ascertaining the surplus a *pro formâ* account shall be kept in the Resident's Office, in which

shall be included, as expenditure against the assigned revenues, not only the expenditure treated as such in the accounts, but also (1) one-third of the salaries of the Resident and his staff and of their establishments, together with travelling allowance and contingencies; and (2) the rental of the Island of Seringapatam at R50,000, which was included in the enhanced subsidy of 35 lakhs, and which is taken against the revenue of the Assigned Tracts during the term for which the claim of the Government of India to the enhanced subsidy is suspended.

These orders were issued in August 1885, and no copy of any such *pro formâ* account appears to have reached the Finance Department of the Government of India.

Taking the estimates for 1886-87 the cost of the Resident and his staff with establishment is just one lakh; but this does not include travelling allowances. One-third of the whole political expenditure may be taken at about R35,000, and including the rental for Seringapatam the nominal surplus would be reducible by R85,000, and would become R53,560.

The question of the ultimate disposal of this surplus has been deferred until the expiry of the term for which the enhancement of the subsidy has been postponed.

their accounts how audited and compiled.

17. Up to 1884-85 the accounts of the revenue and expenditure of the Assigned Tracts were both audited and compiled by the Comptroller of Mysore; but since that year a new system has been introduced; the expenditure is audited by the Accountant-General, Madras, and passed on by him to the Comptroller of India Treasuries, who compiles the accounts and also includes the revenue and expenditure in his estimates. The expenditure of the Resident other than that treated in the accounts as chargeable against the Assigned Tracts is both audited and compiled by the Accountant-General, Madras, and thus comes into the Madras Estimates and Accounts.

their revenue by major heads.

18. The following table shows the Revenue of the Assigned Tracts by major heads:—

	Actuals for 1884-85.	Revised Estimate for 1885-86.	Budget Estimate for 1886-87.
I.—Land Revenue	3,964	4,270	4,270
IV.—Stamps	44,136	44,560	45,700
V.—Excise	1,92,866	2,54,500	2,58,000
VI.—Provincial Rates	...	15,230	15,500
X.—Registration	5,406	4,000	4,000
XV.—Law and Justice	2,941	3,220	2,200
XVI.—Police	25,955	700	530
XXI.—Interest	3	10	10
XXIV.—Miscellaneous	221	...	...
TOTAL	2,75,492	3,26,490	3,30,210

The revenue is derived almost entirely from Excise and Stamps, these two

making up R3,03,700 out of the total of R3,30,200 in the Estimate of 1886-87.

their expenditure by major heads.

19. The following is an abstract of the expenditure of the Mysore Assigned Tracts for the last five years :—

	1882-83.	1883-84.	1884-85.	1885-86 (Revised).	1886-87 (Budget).
	R	R	R	R	R
Refunds	210	4,690	530	3,800	600
Land Revenue	...	....	840	160	150
Stamps	360	360	500	500	500
Excise	....	...	1,700	2,100	2,200
Registration	1,360	1,510	1,520	1,430	1,910
Administration	160	4,130	...	...	...
Law and Justices	43,400	43,600	45,090	50,640	54,800
Police	41,230	60,700	58,750	62,490	67,210
Education	25,920	28,380	41,920	29,000	29,000
Medical	18,080	480	240	500	500
Political	...	....	890	....	....
Furlough, &c., Allowance	...	...	2,180	...	...
Superannuations	5,410	5,420	20	...	...
Stationery and Printing	...	...	500	3,000	3,000
Miscellaneous	13,400	18,500	6,790	22,900	23,560
Public Works	...	...	10,120	8,220	8,220
TOTAL	1,49,560	1,67,770	1,71,590	1,84,740	1,91,650

Expenditure not examined.

20. As it is doubtful whether the surplus of the Assigned Tracts will be held really to be at the disposal of the Government of India, we have not considered it necessary to enquire into the details of this expenditure; the advantage of any economy might not accrue to Government; and our time has been fully occupied with the examination of direct Government expenditure.

Audit and compilation of Imperial expenditure.

21. The Madras Government has suggested that, as it has no concern with the Mysore Resident, his charges should be included in the India Estimates and Accounts. There would appear to be some convenience in this arrangement; especially if the other political charges in Madras are provincialised in the manner proposed by the Finance Committee. Should this change be carried out, the charges might still be audited by the Accountant-General, Madras, and passed on to the Comptroller of India Treasuries in the same manner as the expenditure of the Assigned Tracts.

C. A. E.
A. J. F.
H. W. B.

The 8th March 1887.

Finance Commissioner's Note on Mysore Political Expenditure.

No. 1948-I., dated Simla, 27th April 1887.

From—G. R. Irwin, Esq., Assistant Secretary to the Government of India, Foreign Department,

To—The Resident in Mysore.

I am directed to enclose a copy of a note, No. F.C-36, by the Finance Commissioners with the Government of India on Mysore Political expenditure.

2. I am to request that the Government of India may be favoured at your earliest convenience with your views regarding items 4, 5 (i), 5 (ii), and 5 (iii) in the note, and also with such an explanation regarding items 8 and 9 as will clear up the doubts expressed regarding them by the Finance Commission.

3. The Government of India will also be glad to consider any remarks which you may desire to offer with reference to other portions of the note.

Office Memo., No. 3567, dated Simla, 4th July 1887.

From—The Assistant Secretary to the Government of India, Department of Finance and Commerce,

To—The Foreign Department.

In continuation of Nos. 1479 and 1512,* dated the 22nd and 23rd March respectively, forwarding for consideration copy of notes by the Finance Committee on Mysore and Coorg, the undersigned is directed to forward copy of a statement contrasting the Treasury establishments of Bangalore and Bellary and of Coorg and Kurnul, and to draw attention to the high rate of pay given to the Account establishments in Mysore and Coorg.

* Linked file, R. No. 4638-I. (Coorg expenditure), returned to Home Department—11th October 1887.

2. The undersigned is to observe that in the Madras districts there is necessarily a much stronger Account establishment as they have to deal with so many taluq accounts and the cash transactions are comparatively very large, yet the account establishments in Mysore and Coorg are better paid than those in Madras.

Bangalore.		Bellary.		Coorg.		Kurnul.	
English Account Department.		*English Account Department.*		*English Account Department.*		*English Account Department.*	
	R		R		R		R
Head Accountant	100—130	Head Accountant	85	Head Accountant	130	Head Accountant	85
2nd „	65	2nd „	45	2nd „	60	2nd „	45
3rd „	45	3rd „	35	3rd „	40	3rd „	35
4th „	40	4th „	30	4th „	25	4th „	30
5th „	30	5th „	25	5th „	20	5th „	25
6th „	25	6th „	20			6th „	20
7th „	15	7th „	20			7th „	20
		8th „	15			8th „	15
		9th „	15			9th „	15
		10th „	15			10th „	15
	320—350		305		275		305
Vernacular Account Department.		*Vernacular Account Department.*		*Vernacular Account Department.*		*Vernacular Account Department.*	
			R		R		R
		Head Accountant	45	Head Accountant (also English Accountant).	30	Head Accountant	45
		2nd „	35	2nd „	15	2nd „	35
		3rd „	20			3rd „	20
		4th „	15			4th „	15
		5th „	15			5th „	15
		6th „	15			6th „	15
			145		45		145

Bangalore.

Treasurer's Department.

		Rs
Kash-keeper		100
1st Accountant		55
2nd	"	25
Shroff	"	20
"		20
"		20
Golla (potdar)		8
"		8
"		7
Farash		6
Peon		5
		274

Bellary.

Treasurer's Department.

	Rs
Cash-keeper	70
1st Accountant	25
2nd "	20
Golla (potdar)	8
"	8
	131

Coorg.

Treasurer's Department.

	Rs
Cash-keeper	100—120
Head Mutsuddi	35
Stamp "	30
Third "	20
Head Shroff	20
Deputy "	12
Muchi	8
Golla	8
"	7
2 peons at Rs 7	14
Masalchi	6
Sweeper	5
	265—285

Kurnul.

Treasurer's Department.

	Rs
Cash-keeper	125
1st Accountant	25
2nd "	20
3rd "	15
Head Shroff	50
2nd "	25
3rd "	15
Golla (potdar)	10
"	8
"	7
"	7
	307

B

Finance Commissioner's Note on Mysore Political Expenditure

No. 3358-I., dated Simla, 21st July 1887.

From—G. S. FORBES, Esq., Junior Under-Secretary to the Government of India, Foreign Department,

To—The Resident in Mysore, Bangalore.

I am directed to forward a statement in which the rates of pay drawn by the Treasury establishments in Bangalore, Bellary and Kurnul are contrasted.

2. As compared with the cost of the district establishments in Bellary and Kurnul, the cost of the establishment maintained for the Civil and Military Station appears to be high, and I am to enquire whether any reduction is possible.

No. 2601-6376, dated Bangalore, 15th August 1887.

From—D. FITZPATRICK, Esq., C.S.I., Offg. Resident in Mysore,

To—The Secretary to the Government of India, Foreign Department.

I HAVE the honor to acknowledge the receipt of your office letter No. 1948-I., dated 27th April 1887, enclosing copy of a Note by the Finance Commissioners with the Government of India regarding Mysore Political expenditure.

2. My attention is specially directed to certain items of this Note, and the Government of India say they will be glad to consider any remarks I may desire to offer regarding the other questions with which it deals. I propose in the first place to discuss items 4, 5 (I), 5 (II), 5 (III), 8 and 9 which are specially alluded to as requiring either explanation or an expression of my views.

3. Item 4 relates to the allowance of Rs. 100 per mensem which is paid to the Treasury Officer in the Civil and Military station who draws also Rs. 80 per mensem as Sub-Registrar, and the Finance Commissioners recommend that the separate joint appointment of Treasury Officer and Sub-Registrar be abolished, the work being made over to one of the staff in the Assigned Tract.

4. The only officer to whom these duties could be transferred without much inconvenience is the 2nd Magistrate, and the Government of India will remember that in letter No. 1330-192, dated 25th September 1884, Mr. Lyall writing to the Foreign Department considered it "most desirable that the work of Treasury Officer should be separated from that of 2nd Magistrate." This opinion was based on the unsatisfactory manner in which the duties of the combined offices had been performed to the consequent detriment of both Treasury and Judicial duties. Recognising, however, the necessity for the strictest economy in establishments, so far as is compatible with efficiency, this question has been carefully examined again, and I now find that it will be possible by a rearrangement of Judicial work to relieve the 2nd Magistrate to the extent necessary to enable him to take up the Treasury and Sub-Registrar's work without risk of much inconvenience to the public or of loss to Government.

5. The 2nd Magistrate is at present to a certain extent employed in deciding petty criminal and nuisance cases, whilst it is doubtful whether the District Magistrate takes a sufficiently large share of the more important criminal work To relieve the 2nd Magistrate therefor, I hope to arrange for the appointment of a certain number of gentlemen in the Civil and Military station as Honorary Magistrates, and all nuisance cases, and which in 1886 numbered 3,036 out of a total of 3,224, might advantageously be made over to them for disposal.

6. The 2nd Magistrate when relieved of these cases, and his files still further lightened, if necessary, by a reallotment between him and the District Magistrate of the Criminal Judicial business of the Civil and Military station, would have sufficient leisure to attend to Registration and Treasury work.

7. But in a station like Bangalore, where there is a large European community, and in particular a large number of military officers, paymasters of regiments, &c., who are apt to be exacting in regard to the rapid despatch of Treasury business, it is undoubtedly a serious drawback that the Treasury Officer should be burdened with a variety of other duties.

8. In this connection, I would remark that the working of the Treasury since the appointment of a separate officer has been highly satisfactory, and I beg to enclose, for the information of the Government of India, a copy of the Report of the Accountant General, Madras, for the official year 1886-87, who observes that considerable progress has been made in the Bangalore Treasury in all branches of work. I have no doubt, however, that the duties of Treasury Officer and Sub-Registrar could be carried on (though perhaps not as efficiently as if a separate officer was employed) by the 2nd Magistrate, if he is relieved of some of his work as I have proposed above, and if the Government of India decide on abolishing the separate appointment of Treasury Officer and Sub-Registrar, the 2nd Magistrate will be placed in charge of these departments.

9. Item 5 (I) deals with the establishment of clerks in the Resident's office), and comparing the amount of correspondence here and in Rajputana it is suggested that 3 or 4 clerks might be reduced. The criticisms of the Finance Commissioners on this heading appear to me to a certain extent well founded, and I am unable to deny that the total cost of the office, as given in paragraph 7 of the Note, is high in comparison to the amount of work turned out. The Registrar, however, now draws only Rs. 200 which gives a total yearly expenditure of Rs. 8,160 instead of Rs. 8,760 the figure mentioned by the Committee, but out of the saving thus effected in the pay of the Registrar Rs. 20 was recently, under Mr. Lyall's orders, given to strengthen the Treasury establishment on the recommendation of the Accountant General, Madras, in consideration of the heavy work which devolves on the other clerks. I have been able to make a further reduction of Rs. 125 in the cost of this office establishment by abolishing the post of the head clerk, who has been transferred to an appointment under the Municipality, the total saving thus effected as regards this office amounts to Rs. 175 per mensem, or Rs. 2,100 per annum.

10. I now come to Item 5 (II)—the Treasury establishments. In connection with this the Finance Commissioners observe in their Note that the pay of the Account Department of the Treasury seems to be needlessly high and that the Treasurer's branch is more strongly manned than is necessary. Since the receipt of the Note referred to above I have received your office letter No. 3358-I, dated 21st July 1887, forwarding a statement in which the rates of pay drawn by the Treasury establishment in Bangalore, Bellary and Kurnool are contrasted, and with reference to which the Government of India observe that, as compared with the cost of the district establishments in Bellary and Kurnool, the cost of the establishment maintained for the Civil and Military station appears to be high and enquire whether any reduction is possible.

11. In reply, I have the honor to state that, on a further consideration of the question, I have decided that the scale of the establishment in the Bellary District might with advantage be adopted in the Civil and Military station of Bangalore, I propose therefore, as opportunity offers and the present incumbents vacate office, to assimilate the rates of pay and the numerical strength of the Bangalore Treasury to those in force at Bellary. I would deprecate any immediate reduction in the salaries of the present incumbents, but the desirability of effecting this when they vacate will be placed on record.

12. Items 5 (III 8 and 9 claim merely a brief notice, Mr. Lyall considered that the numbers of the menial establishment were not excessive, and I see no reason to disagree with this opinion.; it may, however, be mentioned that the pay of the Jemadar and 2 Chobdars will be reduced when the present incumbents vacate.

13. The remarks in paragraph 12 of the Finance Commissioners' Note to the effect that it was not clear why there should be a separate provision of Rs. 400 for postage when this charge is included under the general heading of contingencies appear to be based on some misconception. As is shewn under items 8 and 9, a sum of Rs. 9,000 is provided for the Resident's office contingencies and Rs. 600 for the Treasury. These sums are subdivided in the manner there shewn, but there is no separate provision for postage outside the totals of Rs. 9,000 and Rs. 600. The amount mentioned Rs. 400 is probably a misprint for Rs. 480.

14. The amount Rs. 3,000 provided for books, &c., is doubtless unnecessarily large, but no money will be expended under this heading which is not absolutely required.

15. The same remark applies to the provision for tents as a yearly recurring charge. In those years when tents are required this provision is not excessive, and it will in future only be entered with a due regard to probable requirements.

16. The last item of Rs. 300 was entered in the detail of budget grants sent to the Accountant General, Madras, in order that some provision might exist for the purchase of office furniture, but it will not appear in future budgets.

17. As regards the proposal, contingent on the absorption of Coorg into the Madras Presidency, to reduce this to a 2nd class Residency, as I am not the permanent incumbent of the office I have no hesitation in expressing my most decided opinion that no such change should be made for some years to come. An experiment of great novelty, difficulty and importance is being tried here, and one on the successful conduct of which at this stage the welfare of a whole Province for generations to come depends.

18. It is true that the amount of interference exercised directly and officially by the Resident is, and I may add in my opinion ought to be, very small, but it is on this account none the less necessary, indeed it is the more necessary, that the Resident should be an official of such status and position that the Durbar would respect and of their own accord seek his opinion and advice. This, I think, could hardly be hoped for if a 2nd class Resident were appointed to the post, and the result of such an officer being appointed would probably be that the occasions in which direct official interference would be necessary would be multiplied, and that the intervention of the Government of India would often have to be invoked. There is, besides this, the obvious consideration that the questions which arise in the administration of a Province like Mysore are often of such difficulty and importance that a 2nd class Resident would not usually be competent to deal with them satisfactorily.

19. I presume the proposal to reduce the sumptuary allowance was made only on the assumption that the Residentship would be reduced to the 2nd class, in which event the Resident would occupy a completely different social position and would probably not desire to live in the present Residency. I cannot for a moment suppose that while things are on their present footing the Commissioners would propose to reduce the allowance.

20. The Finance Commissioners' Note contains, paragraphs 15 to 20, some general remarks regarding the income and expenditure of the Assigned Tract which is not reviewed in detail as "the advantage of any economy might not accrue to Government." I do not, therefore, propose to offer any remarks on this portion of the Note; it may, however, be mentioned with reference to the statement in paragraph 16 that no copy of the *pro formâ* account in which certain expenditure is to be charged to the revenues of the Tract appears to have reached the Government of India, in the Finance Department, that the account has been prepared in this office and duly checked by the Accountant General. If the Government of India desire, the account for the past six years can be prepared, but no instructions have as yet issued regarding its submission, nor did the Finance Commissioners ask for it.

21. With reference to the final paragraph of the Note, I would mention that there appears to be no objection to the inclusion, as suggested by the Madras Government, of Mysore Political expenditure in the India estimates and accounts, provided the charges are still audited by the Accountant-General, Madras. Postal communication with Calcutta entails considerable delay, and the proximity of Madras to Banglore renders the official connection of the Accountant-General of that Presidency with the Mysore Residency a matter of undoubted convenience.

No. 1808, dated Fort Saint George, the 9th July 1887.

From—H. F. Clogstoun, Esq., Accountant-General to the Government of Madras,

To—The Resident in Mysore, Bangalore.

With reference to your letter No. $\frac{9227}{4853}$, dated the 22nd July 1884, I have the honour to submit copies of the statements showing the working of the Treasuries under my control during the year 1886-87.

2. Comparing these statements with those of the previous year it will be seen that considerable progress has been made in the Bangalore Treasury in all branches of work.

3. As regards errors or omissions noticed in the Treasury Accounts, the total was 115 against 193 of the previous year, while the number of returns sent late was 17 against 193, the number of times the most important returns were sent late 5 against 27, and the average number of days objection statements were detained, 3 against 9.

4. The above shews that the work of the Treasury has been carried on much more satisfactorily, as far as this office is concerned, than in the previous year.

[A. J.]

G. C. Press, Simla.—No. 578 F. D.—5-9-87.—70.

Page 18 of 20.

Finance Commissioner's Note on Mysore Political Expenditure.

Office Memo., No. 4069-I., dated Simla, 12th September 1887.

From—The Assistant Secretary to the Government of India, Foreign Department,

To—The Department of Finance and Commerce.

With reference to the memoranda from the Department of Finance and Commerce cited on the margin, regarding the Political expenditure of Mysore, and the cost of the Treasury establishment maintained for the Civil and Military Station of Bangalore, the undersigned is directed to forward a copy of a letter from the Resident in Mysore* on the subject, and to state that the Foreign Department concurs in the observations and recommendations made by him.

No. 1479, dated 22nd March 1887.
" 3567 " 4th July "

* No. 2601-6376, dated the 15th August 1887.

2. With reference to paragraph 3, item 1, of the Finance Committee's note, F. C.-36, the undersigned is to observe that the position and pay of the Mysore Resident were reconsidered and altered when the office of Chief Commissioner for Mysore came to an end, and this department is not prepared to admit that, on the grounds stated in that note, the reduction of the Mysore Residency to the second class is feasible.

No. 4482-I., dated Simla, 13th October 1887.

From—W. J. CUNINGHAM, Esq., Under-Secretary to the Government of India, Foreign Department,

To—The Resident in Mysore.

I am directed to acknowledge the receipt of your letter No. 2601-6376 of the 15th August 1887, regarding the Political expenditure of Mysore.

2. Before passing final orders on the case the Government of India would be glad to be furnished with a copy of the *pro forma* account referred to in paragraph 4 of the marginally cited letter, and also with copies of the similar previous accounts since the date of rendition.

To Resident in Mysore, No. 2902-I., dated 27th August 1885.

Ed.—W. G. B.

(Confidential)

12

No. 1278.

FROM W. Lee-Warner, Esqr: C.S.I.,
~~The~~ RESIDENT IN MYSORE.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FOREIGN DEPARTMENT,

Dated Bangalore, the 11th April 1895.

SIR,

I have the honor in continuation of my letter no: 1005-18-95, dated the 19th march 1895, and with special reference to the suggestion therein made in favor of an audit of Mysore Government accounts, to forward a copy of a "memorandum on Mysore Finances" sent to me by the Dewan. It will be noticed in paragraph 51, the Dewan suggests a complete examination of the State's accounts at the cost of Mysore by a British officer.

× × × × ×

4- I should not pass over in silence the reference in paragraphs 4 and 12 to the net revenue of the Civil and Military station of Bangalore described as "virtual assignments from the States revenues". Even the pro-forma account of these revenues appears to me to have overlooked the fact that we have no public buildings for the Station, that the one hospital which serves the assigned tracts is inadequate, and that to meet the cost of the inevitable water works an annual provision ought to have been made in that account. Other questions are raised and prejudged by treating the net revenue as a virtual assignment. I find that for the last ten years the

village

village officers have not been paid at the revised scale to which they are entitled. The total sum is small but the liability ought to be discharged at once. I find also that the Station uses Mysore Government stamps thereby not only observing the fact of British jurisdiction but the more important fact of whether we are not selling in the Station stamps which are used for transactions outside our limits and thereby taking an exaggerated view of the permanent value of our stamp revenue derived from the Station. Lastly there is no mention of the rent of Seringapatam. The net revenues quoted in paragraph 12 for 1893-94 cannot therefore be accepted without much qualification. In this connection I would ask permission to address you fully and separately upon the question of the surplus revenues and the cognate subject of the deferred payment for the subsidy, and I would inquire whether I am at liberty to scrutinize the pro-forma accounts already submitted to you from year to year.

× × × × ×

I have &c,

(Sd) W. Lee-Warner

Resident

(General Serial No. 81.)

188

From

The Assistant to the Resident

in Mysore.

To

The Resident

Dated 16th August 1864.

Despatched

Received

ENCLOSURE NO.

General No.

No.

The enclosed telegram was received this morning from Foreign.

Cunningham's two letters referred to therein are submitted herewith.

There is no correspondence in the Office between the dates of these two letters.

With both of Cunningham's letters is a copy of the Memorandum of the Assignment of the land of the Kangayam Cavalry. These Memos agree with each other, but it is not understood that "India" wants a copy of this Memo. but rather of some Memo. prepared in the Foreign

From we was approved by the G.O.I. could hardly have reached this for Lee in time to allow of the communication of the substance of it by post in the required time. I have not however been able to find any copies of telegrams or letters on the subject & must have passed through Sir J. Gordon's hands. Some D.O. work & telegrams are supposed to have passed, but no one now in the Office saw them, and they are said to have been kept as confidential papers by Sir J. Gordon himself. I have not known found them among the confidential papers Sir J. Gordon left behind him, when he commenced his journey from Bangalore to England.

J.M.J.

for the above letter for me of despatch and I will

The Memo which is in Cunninghams No 8287 / P. 144 is in Sir J. Gordon's handwriting and is signed by the Maharaja.

There is nothing in this Office to show that the Foreign Office substituted any other Memo for this one, or sent us a draft Memo.

Mr James tells me he was not in this Office when this correspondence took place — but he has heard that most of it was of a d.o. nature, and that none of it was sent into the Office, but was kept "very confidential" by Sir James Gordon.

I have none of it — have I seen it.

Shall a copy of the enclosed memo be sent to the For Sec.t, and he be told that it is the only one in this Office?

H.W. 16/4

No 1

Land order & the Memo of assignment on the 5th April 81 by the Maharaja, and say that the original is in Sir J. Gordon's handwriting, and that I apprehend that the draft Sikh must have been sent to him by the For. Sec. from India. In Sir J. Gordon's letter No 88 of 22 July 81 to the For Sec he incidentally mentions that the form of the instrument of assignment signed was substituted by the Govt of India for the form he himself had proposed in his letter of 5 March 81. I presume that the draft was sent to Sir J. Gordon by telegram as the instrument that the instrument was executed on the 5th of Rendition is the 5th of March, and in Sir J. Gordon's letter of 25 March enclosing the draft

Notes regarding the enhanced Mysore subsidy.

The Subsidiary Treaty of Mysore, dated 8th July 1799.

Article 2 of the Subsidiary Treaty of 1799 provided that the British Government should maintain in Mysore a Military force for "the defence and security" of Mysore, and that, in consideration of such protection, the Maharaja should pay to the British Government 7 lakhs of Star Pagodas per annum, equivalent to 24½ lakhs of rupees. This is the present subsidy.

2. The same Treaty, by article 3, made further provision as follows:—

"If it shall be necessary for the protection and defence of the territories of the contracting parties or either of them that hostilities shall be undertaken, or preparations made for commencing hostilities, against any state or power," the Maharaja shall contribute "towards the discharge of the increased expense incurred by the augmentation of the Military force and the unavoidable charges of war, such a sum as shall appear to the Governor-General in Council at Fort-William, on an attentive consideration of the means of His said Highness, to bear a just and reasonable proportion to the actual net revenues of His said Highness."

3. Seven years after the conclusion of the Treaty of 1799, it was deemed expedient by the contracting parties that the provisions of the 3rd article of that Treaty "should be rendered specific, and that the said indefinite contributions *in war* should be commuted for the fixed maintenance of a certain body of Horse *in peace and war*," and accordingly the Treaty of 29th January 1807 was concluded providing that in lieu of the *indefinite* pecuniary contributions to which Mysore was liable under the 3rd article of the Treaty of 1799, Mysore should maintain at all times a body of 4,000 effective Horse. When making this provision for the maintenance of 4,000 Horse, it was understood that 1,000 of them would be required for the internal protection of the country and that the remaining 3,000 would always be available to accompany the British Army on service beyond the Mysore territory. Mysore now maintains the 1,000 Horse considered necessary for internal protection, and the Instrument of Transfer, dated 1st March 1881, relieves the State of the obligation to maintain the remaining 3,000 Horse as required by the Treaty of 1807 and, in the place of that obligation, makes an addition of 10½ lakhs to the original subsidy of 24½ lakhs.

Treaty of 29th January 1807.

4. This addition of 10½ lakhs has been very generously waived for 15 years from the date of the Rendition owing to the depressed condition of the finances of the State. It is demandable with effect from 1st April 1896.

5. The finances of Mysore have now so far improved that the State can no longer plead *absolute inability* to pay the additional subsidy. But it has at the same time to meet large and increasing demands upon its resources on account of useful Public Works and improvements in administration calculated directly to benefit the people, and there still exist remnants of old objectionable taxes, such as the sayer (or land customs), the loom tax, etc., the abolition of which awaits only a further improvement in the finances of the State. The net income of the State from all sources, as at present developed, amounts to ₹1,22,73,000 per annum. Out of this amount have to be met as first charges the following:—

	₹
1. The present subsidy to the British Government	24,50,000
2. His Highness the Maharaja's, Civil List	14,00,000
3. Political pensions	1,00,000
4. The Local Army (approximate)	8,00,000
	47,50,000

Out of the remainder of nearly 75¼ lakhs, about 62¾ lakhs are absorbed by the administration of Law and Justice, Public Instruction, Medical Relief, Repayment of Railway Loans, Ordinary Public Works, Muzroi and other

branches of the public service, leaving only 12½ lakhs available for large works of public utility and for measures of general improvement. The reduction of the last-named amount of 12½ lakhs by the 10½ lakhs of the additional subsidy would, it is feared, leave at the disposal of the State a sum quite insignificant for the demands of a progressive administration.

6. The Darbar beg to be permitted to submit for consideration the following facts, in the hope that they are such as will materially influence the British Government in arriving at its final decision as to the amount and form of any addition to the present subsidy :—

(*a*) Mysore, by reason of the past history of its administration and its geographical situation in the midst of British Districts, has to maintain a costly administrative machinery at the British Indian standard of efficiency.

(*b*) By reason of its liability to recurring failures of the rains, the State is under an obligation to spend largely on its Railways and Irrigation works, for purposes of famine protection.

(*c*) The State, which has a population of 4,943,604, consumes the British excised salt, and assuming the rate of consumption to be the same as in the neighbouring Madras Presidency (namely, 14¾ lb per head), the Salt Revenue contributed by Mysore to the British Treasury is over 22 lakhs per annum, and is a substantial addition to the taxation from which the Maharaja's Revenue is derived.

(*d*) The present subsidy of 24½ lakhs already bears a much larger proportion to the revenues of the State than is the case in any other important Native State of India, as may be seen from the appended statement.

(*e*) The Native States of India pay to the British Government tributes aggregating 76 lakhs, being about 3·8 per cent. of their Gross Revenue of 1,985 lakhs.

(*f*) The total annual Military expenditure of the British Indian Government—1,910 lakhs—is 23·21 per cent. of its Gross Revenue of 8,574 lakhs.

(*g*) Mysore spends on its local Military Force (*not* the Police, which costs separately 6¾ lakhs) about 8 lakhs, and pays in addition 24½ lakhs as subsidy under the Treaty of 1799. The total Mysore expenditure, analogous to the Military expenditure elsewhere, may, therefore, be taken at present as 32½ lakhs, being 22·41 per cent. of the State's Gross Revenue of 145 lakhs. Were the subsidy raised to 35 lakhs, the increased total expenditure of 43 lakhs would be 29·65 per cent. of the Gross Revenue.

7. In the circumstances above represented, and in view of the fact that the net revenues* of the Civil and Military Station of Bangalore (now being paid into the British Treasury but whose final disposal is reserved for consideration in calculating the enhanced subsidy), show considerable improvement during the past ten years and are capable of still further development, the Darbar beg respectfully to submit, for the kind consideration of His Excellency the Viceroy, that the permanent enhancement of the subsidy may generously be altogether waived. But should circumstances make it impossible to grant this great concession, the Darbar beg to place before His Excellency a mode of fulfilling His Highness the Maharaja's obligations to the British Government which would be more agreeable to His Highness personally and to the populations of Mysore generally. His Highness earnestly desires that, in lieu of the addition of 10½ lakhs in cash to the original subsidy, he should be permitted to provide a cavalry or other Military force to be always maintained at the proper standard

* In 1891-92 the net Revenue of the Civil and Military Station amounted to R4,01,372. The chief item included in it is Excise which is managed by the Darbar for the British Government. It produced in 1891-92 R3,34,012 net. During the current year it shows a considerable rise and it promises to improve still further in future years.

of efficiency for active service whenever called upon. Such an arrangement would be in accordance with what was in forceunder the Treaty of 1807; it would enable the Maharaja to realize his loyal wish to take a suitable part in the scheme for Imperial Defence and it would be the means of placing Mysore upon a footing which would not compare unfavourably with that of other first class Native States.

8. The present Mysore Army (2,000 Infantry and 1,000 Cavalry) is insignificant in strength compared with the armaments of other Native States. Formerly it was much larger, but during the British Administration it was subjected to a process of gradual reduction till at the Rendition it stood at the strength considered sufficient for the requirements of internal order, namely, 2,000 Infantry and 1,000 Cavalry. Referring to the Cavalry, we find that in 1863 it was reduced from 2,500 to 2,100: in 1867 it was again reduced to 1,800: in 1868 it was still further reduced to 1,500, and finally before the Rendition to the present strength of 1,000.

9. Thus, the position of Mysore is totally different from that of other Native States. These have large Armies and are in a position to train portions of them for Imperial service, but Mysore has no Army beyond what is required for purely local purposes, though it has excellent materials from which an efficient Army can readily be raised. In proof of the last statement, I may perhaps be permitted to point to the efficient condition of the Regiment of existing Cavalry which has already been improved and equipped so as to prepare it for Imperial service. We have great facilities for providing more such efficient Regiments and I am sanguine we can readily raise and maintain Cavalry Regiments equal in organization and discipline to the best Native Cavalry Regiments of the British Army. In physique and capacity for endurance, the Mysorean is, as is well known, superior to the average man of the plains. Horses thrive so well in Mysore and we possess such exceptional facilities for rearing excellent breeds of horses and transport ponies, that we are in a better position than most other Indian Provinces for organizing and maintaining an efficient Cavalry. Moreover, the honourable record of good services rendered by the Mysore Cavalry, side by side with the British Troops in the early years of this century and during the Mutiny of 1857, is to this day cherished with pride in every part of the State.

10. Under such circumstances, His Highness the Maharaja, prompted alike by the loyal traditions of his family, by a sense of his present insignificant military position as compared with his brother Princes, and by the past history of the Mysore Army, seeks that he may again be permitted to furnish to the British Government a suitable Cavalry or other Military force, instead of being required (in lieu of his obligation to provide a Military force) to pay the additional subsidy of 10½ lakhs. A Cavalry Regiment, 600 strong, with a pony transport service, 300 strong, will cost, at a very moderate calculation, not less than 3 lakhs of rupees per annum; and the cost of two such Regiments, together with the net revenues of the Civil and Military Station of Bangalore will amount to about 10* lakhs per annum as against 10½ lakhs, the amount of the additional subsidy. Or, it would, in several respects, be a better arrangement to reserve the net revenues of the Civil and Military Station of Bangalore for periodical adjustment with reference to actual realizations, and to impose upon Mysore (in lieu of the additional subsidy) the obligation to maintain a suitable Military force calculated to cost such an amount as the British Government may consider reasonable, with due reference to the present resources of the State, its liability to contribute a fair proportion of the same towards the general Military expenditure of the Empire and the present and future requirements of the good government of the State.

11. His Highness firmly believes that an arrangement based mainly upon the lines above set forth, but modified, as regards the strength and kind of the Military force to be maintained and other particulars, to any extent His

* 2 Cavalry Regiments, say . . . . . 6 lakhs.
Net Revenue of the C. & M. Station . . . . . 4 "

Excellency the Viceroy may consider desirable, would in effect be a revival of the old system under which Mysore used to maintain an auxiliary force for external service and would permanently adjust the State's obligations to the Paramount Power in a way not disproportionate to its resources and most gratifying to His Highness and his people.

CALCUTTA,
The 12th January 1893.

K. SHESHADRI IYER.

Statistics of the more important Native Feudatory States of India, their Revenue and Subsidy paid to British Government.

No.	Name of State.	Area in sq. miles.	Population.	Annual Revenue in rupees.	Remarks showing what tribute in men and money, what subsidy, etc., is paid.
1	Hyderabad . .	81,807	10,458,930	3,34,00,000	A Contingent Force is maintained out of the Berar Revenue—cost about 28 lakhs.
2	Baroda . . .	8,570	2,414,200	1,53,00,000	Pays nothing.
3	Kashmir . . .	81,000	2,543,952	50,00,000	One horse, twelve shawl goats and three pairs of shawls are given as Tribute.
4	Gwalior . . .	29,046	3,071,524	1,39,10,000	Pays nothing.
5	Indore . . .	8,400	1,091,689	58,00,000	R2,30,000 on account of a Contingent Force.
6	Rewah . . .	10,083	1,305,124	13,34,870	Pays nothing.
7	Jeypore . . .	14,465	2,818,023	65,54,000	R4,00,000.
8	Jodhpur . . .	37,000	2,552,251	42,90,000	R2,13,000 as Tribute on account of a Contingent Force.
9	Oodeypur . .	12,670	1,697,054	24,81,000	R2,50,000 as subsidy and on account of a Contingent Force.
10	Patiala . . .	5,419	1,583,808	56,40,000	100 horse.
11	Travancore . .	6,730	2,557,736	78,48,000	R8,10,000 as subsidy and on account of a Contingent Force.
12	Mysore . . .	24,723	4,943,004	1,45,08,000	Pays R24,50,000 as the subsidy under the Treaty of 1799. Under the Instrument of Transfer this subsidy is increased to R35,00,000.

No. 314.

No. 1033-I., dated Fort William, the 24th March 1893.

From—SIR H. M. DURAND, K.C.I.E., C.S.I., Secretary to the Government of India, Foreign Department,

To—The Resident in Mysore.

I am directed to forward, for your information, a copy of certain "Notes regarding the enhanced Mysore subsidy" which have been compiled by the Dewan of Mysore and were submitted by him for the consideration of the Government of India during His Highness the Maharaja's recent visit to Calcutta.

2. It will be observed that the object of these notes is to deprecate the enhancement of the subsidy which is payable by Mysore under the terms of the Instrument of Transfer and which, in the ordinary course of events, will be liable to be increased from 24½ lakhs of rupees to 35 lakhs in 1896. As an alternative measure, it is proposed in the Dewan's notes that the State should be permitted to furnish to the British Government a force of two cavalry

regiments, each 600 strong with their necessary transport service, and that the expenditure to be thus incurred, together with the net revenues of the Civil and Military Station of Bangalore, should be accepted by the Government of India in full satisfaction of their claims to the increased subsidy.

3. There are many important points of detail as to which the Dewan's statements are open to criticism. The net revenues of the Civil and Military Station, for instance, appear to be largely over-estimated: and no reference is made to the half lakh of rupees which is chargeable against them on account of the Seringapatam payment. Again, the fact that the heavy State charges on account of repayment of railway loans are terminable, seems to have been overlooked. But putting aside all matters of detail the Governor-General in Council regrets that the proposal to substitute a force of Imperial Service Cavalry for the enhanced subsidy is not one that he can entertain.

4. It is not in the contemplation of the Government of India to make any material addition to the existing strength of the Imperial Service Troops; and the addition of so large a body of Cavalry would not, therefore, be acceptable, while on the merits of the case the Governor-General in Council would be unwilling to burden the State with such a force. Moreover, the question of enhancing the subsidy will not arise until 1896, and it is not possible for the Government of India to commit themselves now as to the details of the settlement which will then have to be made, or to agree in advance to such an arrangement as has been suggested by the Dewan.

5. I am to request that you will communicate the decision contained in this paragraph, in as considerate a manner as possible, to the Mysore Darbar.